



The Daily Dish

# Immigration Bait and Switch

DOUGLAS HOLTZ-EAKIN | AUGUST 3, 2017

## *Eakinomics: Immigration Bait and Switch*

The Trump Administration yesterday [threw its support](#) behind [legislation](#) by Senators Cotton and Perdue on the grounds that it was merit-based reform of the immigration system.

First, put aside any thoughts about the best approach to those here illegally, or otherwise addressing illegal immigration. This is about visas for legal immigration.

Second, recall that the native-born U.S. population has sub-replacement fertility; i.e., it has too few babies to even keep the population constant. Put differently, the United States is like Japan — shrinking in population, economic size, and global importance. As a corollary, the future population growth, labor force growth, skills mix, and economic growth will be dictated by U.S. choices regarding immigration. The bill takes a firm step toward a more irrelevant America by cutting legal immigration in half.

Third, there is a good case to be made for reforming the visa system to be more responsive to economic conditions; admitting those skills that are in short-supply and providing fewer visas for those attributes that are relatively abundant in the labor market. This bill is not economically driven, skills-based, or otherwise a real reform. It simply cuts the non-employment visas and does not increase the employment-based visas. Moreover, it creates a point system that is intended to exclude low-skilled and less-educated immigrants. But markets don't have only one kind of skill; not every job is coding software. This approach is independent of market conditions, pretends to be in favor of high-skilled immigrants, but doesn't even increase their numbers. It is simply false advertising.

Finally, the notion is that this will help the wages of lower-income Americans. That is appealing, but misleading. There is scant evidence that immigration lowers wages and stronger evidence that it actually helps U.S. workers' wages. The reason is that competition — even in labor markets — is global. U.S. workers compete with those across the street, across the state, and across the ocean. Moving immigrants from the United States to other locations does not change that competition or the wages that result from it.

The president's endorsement will stir the debate on immigration policy. Good. But it is not a good policy seal of approval.